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SUBJECT: Wanting to be Cooperative, Thailand Concerned about
Upcoming U.S. Requirement for 100 Percent Cargo Scanning

REF: BANGKOK 2321

11. (SBU) SUMMARY and COMMENT: Concerned about potential obstacles to Thai exports to the United States, the Thai MFA hosted a seminar on the implications of U.S. regulations on maritime freight security, specifically the requirement to scan all containers "100 percent" by July 2012 per the 9/11 Act. Although implementation details of the Act remain in internal USG debate, USG officials allayed fears that radiation detection, already operational at the Port of Laem Chabang, is dangerous or a hindrance to trade, during an MFA-sponsored conference September 21-23. Concerns remain, however, about the slow pace of X-ray scanning and the potential to create serious bottlenecks, especially if U.S.-bound containers need be scanned at every port of call en route. END SUMMARY and COMMENT.

Background

12. (SBU) The "Implementing Recommendations of the 9/11 Commission Act of 2007" (Section 1701) (9/11 Act) indicates that by July 1, 2012, the U.S. Department of Homeland Security (DHS) will require that 100 percent of containers bound for the United States must be scanned by nonintrusive imaging equipment (X-ray) and radiation detection equipment. The Royal Thai Government (RTG) has been a willing participant in recent container security initiatives. The Thai have already instituted the Container Security Initiative (CSI), Customs-Trade Partnership Against Terrorism (C-TPAT), and the Megaports Initiative (MI). In recent months, the RTG has expressed concern that the requirement of "100 percent" scanning could be a serious impediment to port operation and trade, and that the RTG would not be able to implement the initiative by July 2012 (reftel).

The 100 Percent Scanning Seminar

13. (U) On September 21-23, the Thai Ministry of Foreign Affairs, Department of American and South Pacific Affairs, (MFA) hosted a seminar on the "U.S. Laws and Regulations Concerning the 100 Percent Scanning of Containers to the U.S." The seminar consisted of presentations and a question and answer period on the first day, and tours of the Port of Laem Chabang (LCP) and the Port of Bangkok (BKP) on the next two days respectively. Representatives from U.S. Customs and Border Protection (CBP), and the U.S. Department of Energy (DOE), National Nuclear Security Administration attended the seminar to present policy and technical perspectives on maritime cargo security measures. Representatives from Royal Thai Customs (RTC) and the Port Authority of Thailand (PAT) gave presentations which provided background and discussed how their organizations would be affected by 100 percent container scanning implementation.

14. (SBU) Mr. Apirath Veinravi, Acting Director General of the Department of American and South Pacific Affairs, opened the seminar, but the main speakers were USG officials. Mr. Daniel Stajcar, Director of CSI, provided a thorough review and explanation of CSI, the Secure Freight Initiative (SFI), and discussed the differences between these programs and potential implications of the implementation of a "100 percent" scanning requirement. He explained that the 9/11 Act allowed the Secretary of DHS to delay the start date of this requirement and would likely do so. Ms. Katherine Crouch, DOE/NNSA Regional Manager for MI in South and Southeast Asia, gave the context for understanding global trade security measures, the necessity for protecting global commerce, and how MI implements its nuclear detection mission with its partner countries irrespective of the destination of the cargo. Dr. Charles Massey, DOE/Pacific Northwest National Laboratory, Senior Technical Advisor to Megaports, made the final presentation of the morning and discussed the "Practical Implications of Using Radiation Detection Equipment at Laem Chabang Port."

15. (SBU) During the afternoon session, the following offices from the RTG and organizations from Thai industry presented briefly: the National Economic and Social Development Board, the Port Authority of Thailand, the Ministry of Industry, the Ministry of Agriculture and Cooperatives, the Thai National Shippers Council, the Thai Federation on Logistics, the Thai National Freight Forwarders Association, the Bangkok Shipowners and Agents Association, the Board of Trade of Thailand, and the American Chamber of Commerce. The speakers generally expressed concern about the "100 percent" scanning requirement for reasons such as traffic congestion at the port, operational and maintenance costs, readiness to comply with the mandate, training of personnel, and rescanning of containers at transshipment points or on entry to the U.S.

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16. (SBU) On the second and third days of the seminar, RTC and PAT officials presented background on their offices and offered their perspective on the difficulties of implementing "100 percent" scanning. They then led tours of Thailand's two principal ports in the Bangkok area: LCP and BKP. LCP has operated radiation detection equipment since March 2009, and both ports have X-ray capability, although this is used primarily for imports. The tours put the issues in context, both in terms of what the RTG is already doing to comply with container security initiatives and what physical and logistical difficulties the ports will face if they are obliged to scan every container that passes through their ports bound for the U.S.

17. (SBU) The audience of the seminar consisted largely of members of the local business community, both Thai and American, as well as interested members of the RTG from a variety of ministries. The level of familiarity with freight legislation varied significantly, from experts in the field to members of the business community who had only a passing knowledge of these regulations. Very few of those in attendance had seen the actual workings of the ports, and this alone succeeded in clarifying some of the issues.

Achievements

18. (SBU) Many of the questions posed to USG representatives were based on basic misunderstandings about the different security initiatives and about the realities of operating X-ray or radiation detection equipment. The audience saw that MI's radiation portal monitors (RPM) are not at all dangerous, and that trucks can pass through them in a matter of seconds, with very little delay to port traffic. RTC officials spoke positively and knowledgeably about the MI program, and by the end of the tours the audience expressed very little concern that the Megaports Initiative was a safety risk or an undue burden to the port. Audience members told us that the reality of the RPMs was much different and much better than they had previously believed, and that the benefit in security terms for Thailand and international shipping obviously outweighed the associated costs.

However Concerns Remain

¶9. (SBU) Two concerns raised by Thai representatives were more serious and recurrent than the others at the seminar. The first regards logistics. The port tours made clear that performing a nonintrusive X-ray scan is much more difficult and costly than a radiation scan. X-ray facilities at LCP, for example, have a throughput rate of 4 containers per hour. The audience understood that not only would LCP require many more X-ray machines, but that they would require models which could perform the scan in the same manner as the RPMs, i.e. as the trucks drive through them at a slow speed, entering the port. With the models they have now, the driver must leave his truck inside the scanner, while he exits and waits outside. This style of X-ray machine will never be able to handle the heavy traffic of a port like LCP.

¶10. (SBU) The second concern regards the possibility that a container would be scanned multiple times before reaching its final destination. Audience members inquired whether containers would be scanned in transshipment, and asked if the USG could require that containers only be scanned at their last stop before heading directly to the U.S., or could be exempt from a second scan in transshipment if the point of origin was in compliance with all regulations. Similarly, audience members asked whether fully-scanned containers would have a "green lane" at the point of entry in the U.S. and be able to enter without delays or re-scanning.

¶11. (SBU) Several participants inquired whether the USG considered Thailand a "high risk" country, and in the case that Thailand is not high risk, whether its good standing as an ally of the U.S. can make its shipping industry exempt from these future regulations.

Outlook for the Near Future

¶12. (SBU) Although participants expressed reservations and several legitimate concerns, the mood of the seminar was not negative. RTG officials and private sector representatives agreed that security initiatives were valuable and that those in place already were not intrusive. Representatives from the export and shipping industries

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were divided on how to proceed. Some lamented the rising cost of exporting to the U.S., while others said that Thailand would benefit by being proactive and should develop their facilities before the U.S. or any other country mandates security requirements. Port officials told us privately that they are interested in installing RPMs at the Port of Bangkok, and inquired whether the USG could provide any of the necessary equipment for proper X-ray scanning as well.

¶13. (U) The MFA and the PAT closed the seminar and expressed appreciation for USG attendance and participation. MFA representatives indicated that this seminar is likely to be the first of many engagements on this issue within Thailand and further requests for U.S. representation are likely to be made to support a clear understanding of U.S. security requirements. They reiterated that their goal is to balance trade with security while negotiating a path forward.

JOHN